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Proposal for Revisions to Current Accountability Framework

Introduction

State law assigns the Higher Education Coordinating Board responsibility to “establish an accountability monitoring and reporting system” for higher education in Washington. State law also specifies that the “board shall approve biennial performance targets for each four-year institution and the community and technical college system, and shall review actual achievements annually.”

Board staff are proposing a revision to the current accountability framework. The board will be asked at its May meeting to consider adopting the proposed framework and targets for performance at each four-year institution and the community and technical college system.

Background

The Higher Education Coordinating Board adopted an accountability framework in early April 2005. Later that same month, the legislature adopted a 2005-07 operating budget, which included numerous additional and differing provisions regarding accountability.

Board staff are proposing revisions to the accountability framework adopted last year in order to respond to concerns of institutions about the manner in which we measure performance improvement and to integrate accountability provisions subsequently included in the biennial budget. The accountability framework will be evaluated every four years, in conjunction with the schedule for developing the statewide strategic master plan. In addition, elements in the current proposal will need to be the focus of further planning and collaborative work before full implementation is possible.

The proposal calls for consolidating accountability provisions in one place to provide greater clarity. Removing accountability provisions from statute also will provide more flexibility for the accountability monitoring system. The HECB, Office of Financial Management and institutions will work in partnership to implement the framework. Accountability framework adopted by the HECB is the preferred location for housing the policies.

Overview and Summary

No changes are proposed at this time for accountability monitoring and reporting in the community and technical college system. However, changes may be considered at a future date. For reference, the system for the two-year institutions is summarized below.

There are several important changes proposed in the four-year institutional sector. The balance of this document describes those changes.

The new framework for baccalaureate institutions will include two distinct categories of performance indicators. One category will have associated performance targets. The other category of performance indicators will not require associated targets, but performance will be monitored and data on results will be reported. It is expected that results for indicators without targets should at least remain at or near current performance levels.

The indicators with targets are reduced substantially in number, providing greater opportunity for focusing on high priority results and enhancing the clarity and simplicity of the system. The timeline for performance targets would change from the current biennial target cycle to a goal cycle in which six-year targets provide the primary emphasis, but are accompanied by two- and four-year checkpoint milestones along the path toward the six-year goals. A new set of six-year goals will be added every four years. The proposed framework includes additional guidance to institutions than was previously given concerning the magnitude of improvement the HECB and Office of Financial Management expect and hope to see on performance indicators.

Targets proposed by four-year institutions would be subject to approval by both the HECB and the OFM, which reflects a new partnership envisioned between HECB and OFM in implementing the accountability system. Institutions have the opportunity to include up to three performance indicators of their choice as part of the system; institutions would have the option to include targets for such institution-specific indicators.

Community and Technical College System

At this time, indicators for the community and technical college system will remain unchanged from the April 2005 accountability framework adopted by the HECB. Those indicators are as follows:

- Number of academic associate degrees awarded
- Number of technical associate degrees awarded
- Numbers of students defined as ready for transfer
- Numbers of students defined as ready for work
- Numbers of students gaining at least one competency level in a basic skill

The State Board for Community and Technical Colleges developed the above indicators, except the indicators for degrees awarded. The HECB intends to work in consultation with the SBCTC in the future to analyze available data on student outcomes and determine, based on research, whether additional measures ought to be considered.

Baccalaureate Institution Indicators with Targets

Indicators with targets will focus on degrees conferred, graduation and retention rates, and efficiency in awarding undergraduate degrees. Specifically, indicators with targets will be as follows:

- Number of bachelor's degrees awarded
- Number of bachelor's degrees awarded in high-demand fields
- Number of advanced degrees awarded
- Six-year graduation rates for first-time, full-time freshman students
- Three-year graduation rates for transfer students with an associate degree from a Washington community college
- Freshman retention rates
- Percentage of bachelor's degrees awarded to students not exceeding 125 percent of the number of credits required for the degree

The institutions also shall report results on each of the above indicators for students receiving Pell grants. Separate targets for Pell grant recipients are not required. The expectation is that results for Pell grant recipients be maintained at or above current levels.

Baccalaureate Institution Target Date Frequency, Phasing

Actual achievements will be monitored annually, and short-term and long-term markers for future performance will be developed for internal planning and monitoring purposes. Although the main emphasis within this accountability system will be placed on the six-year goals, assessment of progress in the accountability framework is not limited to a snapshot once every six years. Each year a new cohort of students is admitted and begins or resumes study. In addition, the framework is intended to encourage continuous improvement.

Interim checkpoints will be included at two- and four-year markers en route to the six-year targets. For the current cycle, the two-year checkpoint will occur at the end of the 2006-07 academic year. The four-year checkpoint will be in 2009, and the six-year target relates to results in 2011. There will be a six-year target added every four years, synchronous with development of the strategic master plan. Each six-year target would be accompanied by two- and four-year interim checkpoints, as shown in the following chart:

Strategic Master Plan Adoption Schedule	Two-Year Interim Checkpoint	Four-Year Interim Checkpoint	Six-Year Target
2004 (December)	2007 (2006-07 AY)	2009	2011
2008	2011	2013	2015
2012	2015	2017	2019

Frame of Reference for Gauging Performance Improvement

A starting point will be calculated for measures with targets; the starting point provides a reference to measure change and improvement over time. The starting point may be described as the year 2000, though it actually would represent the five-year average for results on the indicator from 1998 through 2002, to the extent such data are available. Where these data are not available for these years, data for more recent years may be used.

This approach replaces provisions currently in the framework in which a three-year average is calculated for determining a baseline. It facilitates reporting progress further into the future with reference to a single, fixed starting point.

Target Level Ambition

The priority is the six-year target. It is also recognized that effective interventions may not become evident in data on results until several years after initiating the intervention. Many indicators may not be expected to change with a two-year or even a four-year span. Therefore, two- and four-year interim checkpoints can be maintenance goals. Six-year targets, in general, are expected to be performance improvement targets.

The budgeted enrollment levels and the overall amount of revenue available to an institution have enormous bearing on the level of output and performance improvement that can be achieved. The HECB and OFM intend to be mindful of funding levels when considering whether to approve proposed targets. However, funding is not the sole factor explaining or determining levels of achievement in the system; thus the precise level of ambition reflected in the performance targets should not be determined solely by the precise amount by which revenue has increased or decreased.

It is also recognized that a certain amount of random fluctuation over time should be expected in any performance indicator and that random fluctuations carry no implications for the quality of performance the measure is intended to reflect. The potential for “statistical noise” is always present in any performance measurement. As the framework is implemented, both HECB and OFM intend to be cognizant of the difference between random fluctuations that do not reflect real changes in performance, and actual changes in performance that may be reflected in performance measure achievement data.

Improvements can and should be produced both through higher base funding and through process improvements not tied directly to higher base funding. HECB staff calculates that base revenue for institutions is approximately 2 percent higher in the 2005-07 budget in comparison to the 2003-05 budget. As suggested above, it is assumed that results still can be improved further through changes in management and operations at the institutions. Thus, in general, targets should reflect expectations for improvement in excess of 2 percent in most cases. However, institutions may propose targets below this level with an accompanying rationale addressing circumstances specific to the target, measure, and institution in question.

The HECB and OFM will consider such proposals and their rationales on a case-by-case basis; such proposed targets may be approved if deemed appropriate under the specific circumstance at hand.

- Six-year targets in 2011 for degrees conferred will be expected to improve upon current numbers by a significant amount. The precise magnitude of the increase will be determined through consultations with each institution so as to take into account the unique characteristics and circumstances of each. Six-year targets for 2015 and subsequent cycles should envision further improvement.
- Six-year targets for graduation rates will be expected to improve upon current results. The precise magnitude of the increase will be determined through consultations with each institution so as to take into account the unique characteristics and circumstances of each.
- Maintenance targets for other indicators are acceptable.
- If state FTE enrollment appropriations and tuition revenue combined are reduced from the 2005-07 level, six-year targets could be reduced; if such revenue is increased from the 2005-07 level, six-year targets could be increased.

Targets proposed by institutions will be subject to review and approval by the HECB and OFM. Maintenance levels at checkpoint stages and, in some instances, maintenance level target, are acceptable; however, these target and checkpoint parameters should not be regarded as maximums. Institutions are encouraged to set ambitious yet attainable targets and checkpoint performance levels above the minimum levels described in the framework.

Performance Indicators Without Targets

The accountability system will include several additional performance indicators without associated targets. Results for Pell grant recipients on indicators with targets were mentioned above. Beyond those results, the new framework also would track job placement/employer satisfaction survey data, a more comprehensive graduation rate measure and institution-specific measures. Although these measures will not have targets associated with them, institutions will be required to report results to the HECB, and the board will monitor and report the results.

Job Placement/Employer Satisfaction

The HECB will work with OFM and the institutions to design a brief set of questions that would be intended to generate data concerning job placement and employer satisfaction with recently hired graduates of Washington's public baccalaureate institutions. The feasibility of various methods for collecting the data will be explored. Options may include adding a limited set of additional questions to surveys already being administered by institutions, state agencies or other entities. The goal is to begin collecting such data by the end of the 2006-07 academic year.

In the meantime, institutions will continue to report to the HECB the available data gathered from biennial alumni surveys and will collaborate to generate comparable data across campuses. Targets are not required at this time on the indicator for job placement or graduate school acceptance.

Institutions may propose alternative methodologies if they believe an alternative approach will generate reliable data that is similar across campuses.

Comprehensive Graduation Rates

Graduation rates will continue to be measured in the current manner for first time, full-time freshmen, and for certain transfer students, as defined. In addition, institutions also will begin to report a more comprehensive graduation percentage without targets.

A working definition of this more holistic graduation rate is the combined proportion of undergraduates who earn a bachelor's degree within six years of enrolling with freshman status, within five years of enrolling with sophomore status, within three years of enrolling with junior status, and within two years of enrolling with senior status. This tentative definition is open to refinement following consultation with institutional research and technical staff. The initial purpose of this effort is to ensure that graduation outcomes for as many students as possible are reported. It is presumed that a proportion of the undergraduate student population is not included in either of the two previously described graduation rate measures.

Institution-Specific Indicators

The accountability framework will include up to three institution-specific indicators related to quality. The institutions will retain discretion regarding whether or not targets for such measures will be included. The HECB will include all such indicators, performance results, and targets (if appropriate) in its biennial accountability report to the legislature and governor.

Miscellaneous Provisions

To take institutional schedules into account and monitor the most recent information on results, the deadline for institutions to report results to the HECB and for the HECB to report those results will be delayed by one month, to November 1 and December 1, respectively. The 2006 supplemental operating budget passed by the legislature incorporated this change.

The HECB will explore, in collaboration with the institutions, OFM and legislature, the feasibility of alternative measures for institutional quality for possible future use. An annual conference or forum focusing on best practices should be considered, and if developed, will be regarded as an element of the accountability system.

Wherever appropriate, when the HECB reports on results achieved on measures tracked in the accountability system, aggregated statewide results also would be reported. The purpose is to emphasize system-wide results because that is a more comprehensive perspective than reports limited to institution-specific results alone.

The context section described in the April 2005 accountability framework, as adopted by the board, remains in the framework. That section will include data that describe conditions of higher education in the state, as well as the unique mission and student demographics at each institution. This information will help policymakers understand some of the key factors that influence degree production in the state. For example, if fewer students graduate from high school, then the public baccalaureate institutions will produce fewer baccalaureate degrees. Data reported will include but not be limited to:

- State funding/student FTE
- Degrees earned/college-age population
- Percentage of state funds allocated to higher education
- Financial aid/student FTE (or another affordability measure – such as percentage of family income needed to pay for college)
- Percentage of ninth graders who graduate from high school on time with their class
- College participation rates
- Average WASL scores for tenth graders
- Number of students participating in dual-credit programs (e.g., Running Start)
- Percentage of recent high school graduates requiring remedial education
- Proportion of new students from Washington community colleges (reported separately for each institution)
- Percentage of students earning bachelor's degrees who have earned at least 40 credits from one or more Washington community colleges
- Mission, enrollment by race, ethnicity, average age, gender, origin (e.g., high school and community college), first-generation status, degree-seeking status, Pell grant status, full-time or part-time status, participation in remedial education, and SAT, ACT or other indicator of academic preparedness, where available, at each institution.

Relevant Additional Statutory Provisions Regarding Accountability

A number of provisions in current law are related to the accountability framework. These provisions, which are not directly affected by HECB action on the framework, will be implemented in coordination with the implementation of the framework.

Current statute states, “Based on guidelines prepared by the board, each four-year institution and the State Board for Community and Technical Colleges shall submit a plan to achieve measurable and specific improvements each academic year on statewide and institution-specific performance measures. Plans shall be submitted to the board along with the biennial budget requests from the institutions and the state Board for Community and Technical Colleges.” [RCW 28B.76.270(2)]

The HECB intends to develop guidelines as described above, and to consult with institutions regarding the potential for including summary information regarding the plans in its accountability reports.

The HECB is required under current statute to report on progress toward accountability goals or targets “along with the board’s biennial budget recommendations.” [28B.76.270(4)]

The HECB “shall review actual achievements annually.” [28B.76.270(3)]